

08 June 2005



DEPARTMENT
OF
STATE

Iraq Weekly Status Report

UNCLASSIFIED



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Highlights

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1.0 Transition to Security Self-Reliance

- On June 2, command of the Kirkuk Military Training Base was transferred from MNSTC-I to Iraqi Brig. Gen. Abd Zaid. The contract that provides support to the base will not be officially transferred to Iraq's Ministry of Defense until July, but decisions about how the base operates – everything from dealing with emergencies and its defense to managing civilian employees and contracts – are now Abd Zaid's responsibility.

2.0 Support a Free and Democratic Iraq

- UN Secretary-General Kofi Annan announced May 31 that Iraqi authorities have requested UN assistance in drafting and building consensus around the country's new constitution.
- On June 5, the Constitutional Drafting Committee's vice president, Adnan Janabi, said the committee has agreed to bring in additional representatives Iraq's Sunni Arab community; negotiations are continuing on specifics.

3.0 Provide Essential Services

- IRMO and USAID are working with the Iraqi Ministry of Health to conduct a national immunization campaign during the week of June 18 to vaccinate children for polio.



Highlights

DEPARTMENT OF STATE

4.0 Establish Foundation for a Strong Economy

- ï The World Bank International Finance Corporation (IFC) will provide a \$12 million loan to support the small and medium enterprise (SME) lending operations of National Bank of Iraq.

5.0 Promote the Rule of Law

- ï On June 7, Reuters reports that Iraq's government backed away from suggestions that Saddam Hussein would be tried within weeks, admitting it was up to the Iraqi Special Tribunal to decide when he appears in court.

6.0 Maintain International Engagement and Support

- ï The International Conference Steering Group (US, EU, ITG, UN, Egypt, Japan, and now Russia) met in Cairo on June 2 and agreed on the conference agenda/format. The Steering Group discussed the draft conference statement.
- ï Earlier this month, representatives from USAID, the World Bank International Finance Corporation, and UK's Department for International Development met in Amman, Jordan, to assess the needs of Iraqi government ministries seeking to move key state-owned enterprises off the national budget.



[1.0] Transition to Security Self-Reliance ñ Iraqi Security Forces

Iraqi Security Forces Update:

- ï The Iraqi Police Service graduated 121 police officers from advanced and specialty courses at the Adnan Training Facility June 2. The courses consist of Basic Criminal Investigations with 58 graduates, Critical Incident Management with 29 graduates, Counter Terrorism Investigations with 18 graduates, and Executive Leadership with 16 graduates. Officers who participated in these courses previously completed either an eight-week basic training course for new recruits or a three-week transitional integration program course designed for prior-service officers.
- ï On June 2, command of the Kirkuk Military Training Base was transferred from MNSTC-I to Iraqi Brig. Gen. Abd Zaid. The contract that provides support to the base will not be officially transferred to Iraqís Ministry of Defense until July, but decisions about how the base operates ñ everything from dealing with emergencies and its defense to managing civilian employees and contracts ñ are now Abd Zaidís responsibility.
- ï The Direct Recruit Replacement (DRR) program started by the Iraqi Army is now in use for its Navy, which began training its first 213 recruits May 22 for anti-terrorist operations and oil terminal security. The Iraqi Navy DRR program is similar to US Marine Corps during boot camp, beginning with a four-week stretch of strenuous physical exercises, along with instruction on handling and maintaining medium and heavy machine guns.



[1.0] Transition to Security Self-Reliance ñ Iraqi Security Forces

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Ministry of Interior Forces

COMPONENT	TRAINED & EQUIPPED
POLICE	61,922
HIGHWAY PATROL	
OTHER MOI FORCES	30,784
TOTAL	92,706*

Ministry of Defense Forces

COMPONENT	OPERATIONAL
ARMY	75,959
AIR FORCE	182
NAVY	515
TOTAL	76,656**

Total Trained & Equipped ISF:

169,362

* Ministry of Interior Forces: Unauthorized absences personnel are included in these numbers

** Ministry of Defense Forces: Unauthorized absences personnel are not included in these numbers



[2.0] Support a Free and Democratic Iraq ñ **Developments**

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Constitution Update:

- ï UN Secretary-General Kofi Annan announced May 31 that Iraqi authorities have requested UN assistance in drafting and building consensus around the country's new constitution. In a letter, Transitional National Assembly (TNA) President Al-Hasani invited the UN to help promote national dialogue between the TNA's Constitutional Drafting Committee and the Iraqi people.
- ï On June 5, the Constitutional Drafting Committee's vice president, Adnan Janabi, said the committee has agreed to bring in additional representatives Iraq's Sunni Arab community; negotiations are continuing on specifics.

Elections Update:

- ï The Iraqi Election Information Network (EIN) recently held their final regional assessment conference to determine priorities and planned activities for the upcoming elections.



[2.0] Support a Free and Democratic Iraq ñ **Developments**

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Transitional National Assembly (TNA) Update:

- ï A USAID partner conducted its fourth general orientation session for 17 TNA members focused on the role of individual members of a legislature in a democratic society and tools to become effective representatives of the people. Special topics included basic parliamentary functions and duties, rights and responsibilities of TNA members, powers and privileges, interpersonal skills development, and the importance of information-gathering and tools for public outreach. The seminar also included a presentation on the role of caucuses.

Continuing Transitional National Assembly (TNA) Responsibilities:

- Serve as Iraq's national legislature until the election of a new government under a permanent constitution.
- According to the Transitional Administrative Law, the TNA is to draft Iraq's new Constitution by August 15, 2005; this will be presented to the Iraqi people for their approval in a national referendum by October 15, 2005.
- If it is approved, an election for a permanent Iraqi government under that new Constitution will occur by the end of 2005.



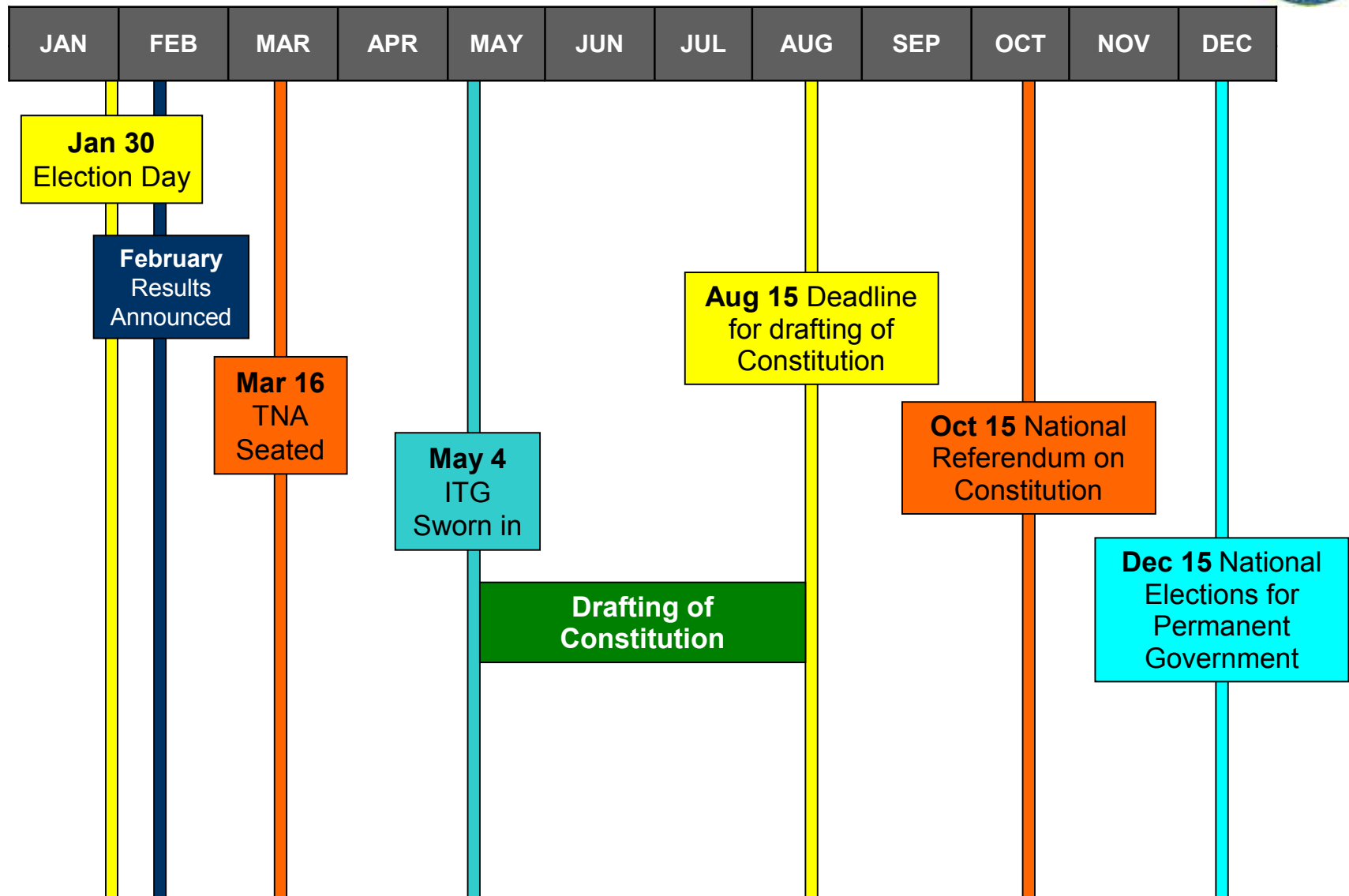
[2.0] Support a Free and Democratic Iraq ñ **Developments**

Promoting Civil Society:

- ï Iraq Civil Society and Media Support Program (ICSP) activities are proving popular with Civil Society Organizations (CSOs) in the north. A proposal writing workshop was held one day after the assassination of Mosul's Director General for Anti-Corruption. A total of 29 participants from different ethnicities and religious backgrounds -- including Muslims, Christians, Azidis, Sabians, Arabs and Kurds -- were involved in this training. Participants refused to postpone the workshop because of the assassination, even though movement was severely restricted for security reasons. Participants also noted that ICSP is the only program focused on promoting civil society in this violence prone city.



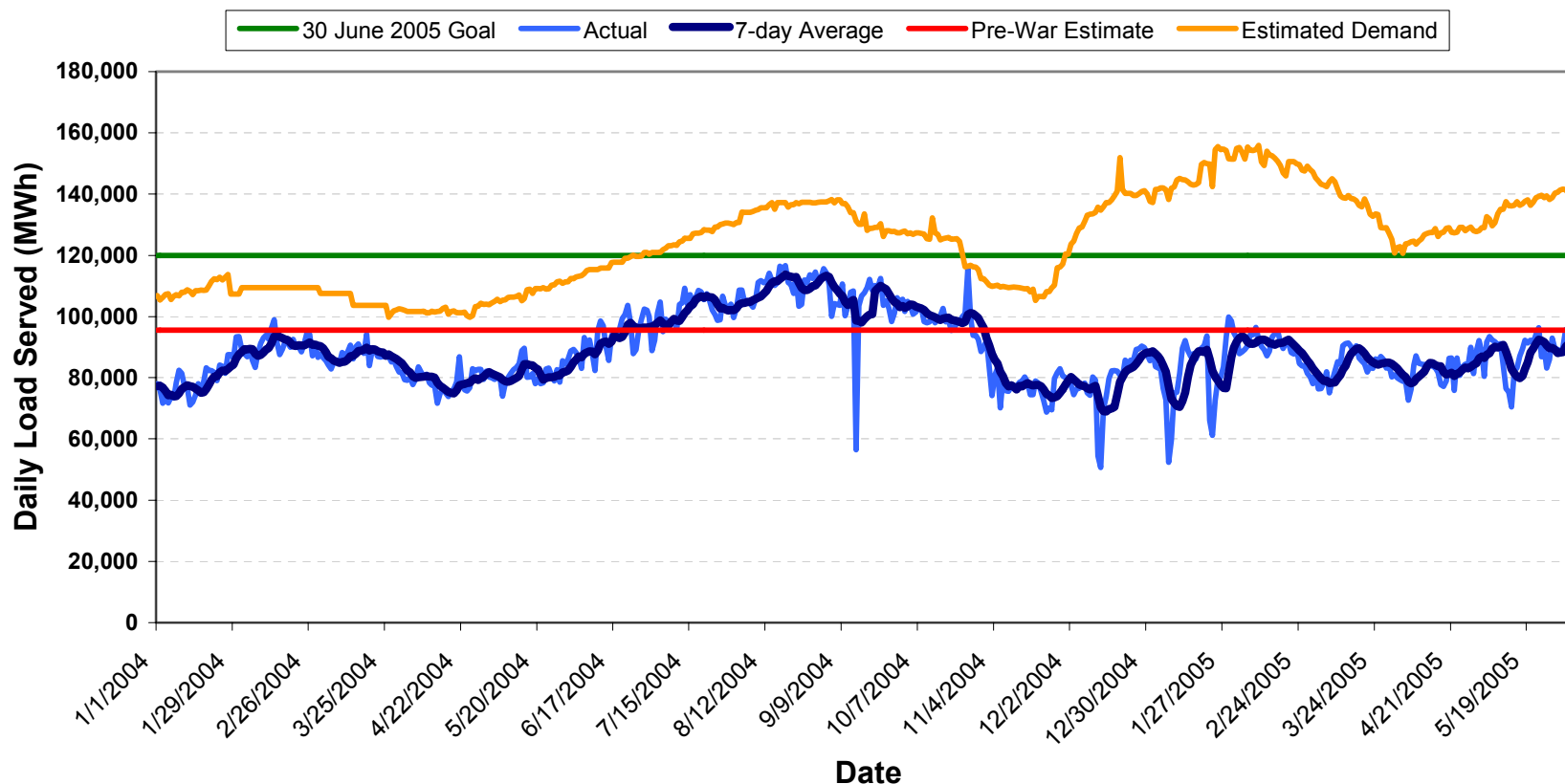
[2.0] Support a Free and Democratic Iraq ñ Electoral Process Timeline

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[3.0] Create Jobs and Provide Essential Services ñ Electricity Overview



Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004



- ï Electricity load served rebounded last week (June 1 - 6) to an average of 92,200 MWh. Average hours of available power increased to 8.1 hours in both Baghdad and countrywide.
- ï Demand levels continue to increase.



[3.0] Provide Essential Services ñ **Oil and Telecommunications**

Oil Update:

ï Crude oil prices in world markets for the week ending May 27 closed with the following prices:

- | | |
|---------------------------------|----------------------------------|
| ñ Basra Light at \$44.24/barrel | ñ Kirkuk Crude at \$46.28/barrel |
| ñ Oman/Dubai at \$48.41barrel | ñ WTI Cushing at \$53.81/barrel |
| ñ Dated Brent at \$51.05/barrel | |

Telecommunications:

ï The three major cell phone companies in Iraq (Asiacell, Iraqna, and Atheer) continue to enroll new subscribers at healthy rates. As of June 1, there were 2,422,094 active cellular subscribers in Iraq. Landline telephone subscribers in Iraq have also increased to 997,675. Prior to Operation Iraqi Freedom, there were approximately 833,000 landline subscribers and no cellular network.



[3.0] Provide Essential Services ñ Water and Sanitation

Water and Sanitation:

- ï PCO has 84 water treatment projects underway and has completed 28 to date. Under the Accelerated Iraq Reconstruction Program (AIRP), there are a further 12 water treatment projects under construction and 38 have been completed.
 - ñ Total water treatment capacity to be added from PCO projects is approximately 1.4 million cubic meters per day, which will benefit 2.5 million Iraqis.
- ï USAID is constructing a new water treatment plant to increase quantity and quality of potable water to Sadr City and surrounding areas of Baghdad. Current plans call for construction of a 25-million-gallons-per-day (MGD) plant versus a 20 MGD due to lower than expected costs. Extensive operations and maintenance (O&M) training will be provided to the plant's O&M staff as a part of this project.
 - ñ The project is now 15 percent complete and is projected to be completed in August of 2006.
- ï As of June 1, USAID has completed 20 potable water treatment and distribution projects, with 85 more underway. 15 sewer treatment and distribution projects have also been completed, with 4 underway. The Rural Water Initiative, representing 81 of the 85 potable water projects still underway, will provide potable water to approximately 500,000 Iraqis throughout Iraq. When all of USAID's potable and sewer water projects are complete, they will have provided treatment capacity for an additional 8 million Iraqis.



[3.0] Provide Essential Services ñ Health Care

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Health Care:

- ï Construction is underway on 143 new primary health care (PHC) facilities across Iraq. Under the AIRP, an additional two PHCs are under construction and eight have been completed.
- ï Foundation construction is in its final stages at the site of the new Basrah Children's Hospital. Proposed as a 94-bed hospital, this \$50 million facility is designed to focus on providing inpatient and outpatient pediatric healthcare for the city of Basrah. The hospital is expected to be completed in September 2006.
- ï The Minister of Health is seeking to establish a national campaign to vaccinate children against polio in June and July. Polio has not been a concern in Iraq for several years, however, the potential of the virus importing from nearby countries with ongoing outbreaks, particularly in Sudan and Yemen, has initiated the support of the campaign. The Ministry has developed plans with the assistance from the USG, WHO, and UNICEF to support these activities.



[3.0] Provide Essential Services ñ Education

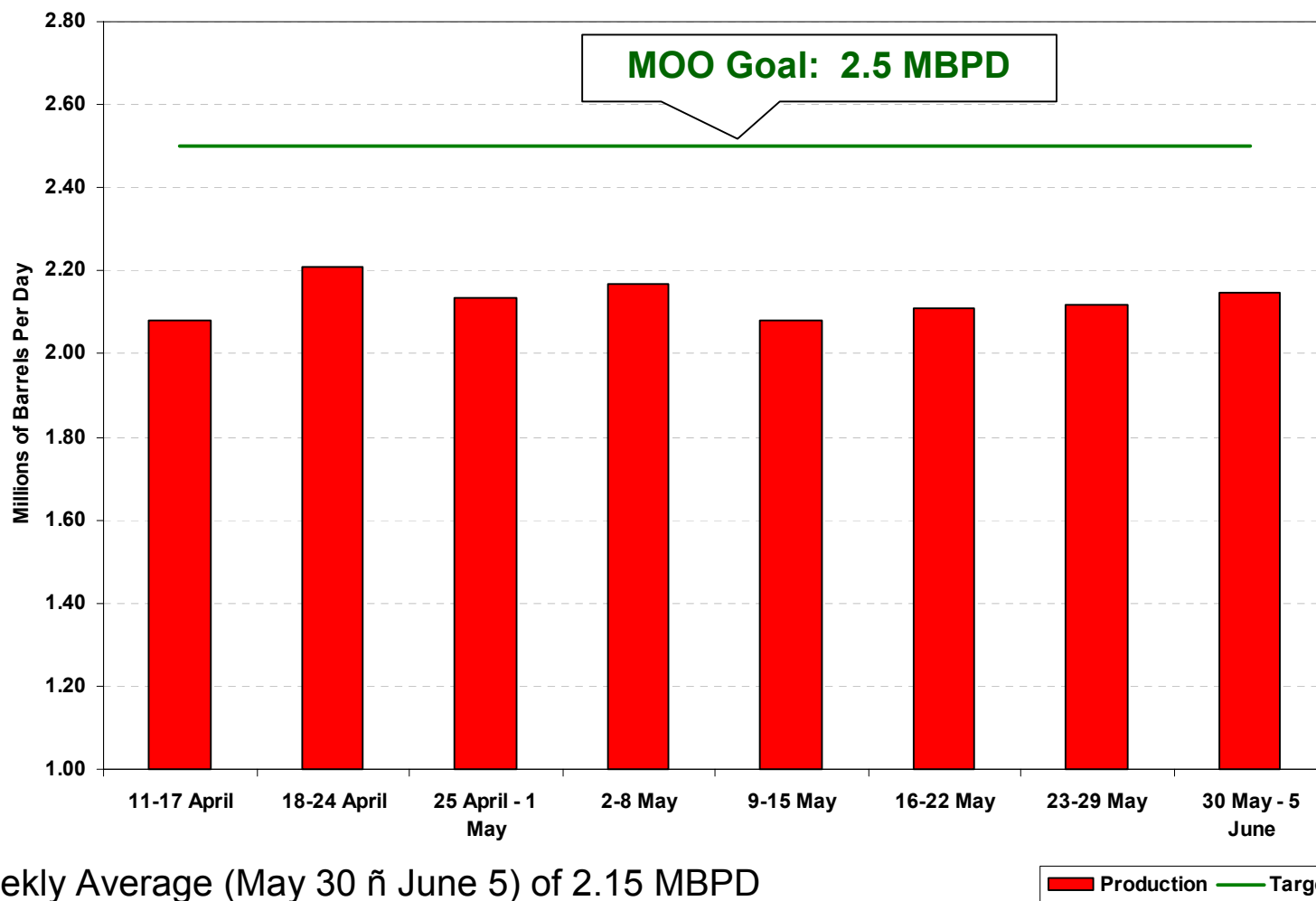
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Education:

- ï PCO has completed 598 schools renovations to date and a further 100 are under construction. Under the AIRP, an additional 24 school renovations have been completed and 16 are underway.
 - ñ 840 schools are scheduled for completion by mid-2005.
- ï USAID is working with the Ministry of Education and a Jordanian firm to develop an early childhood learning television program to help pre-school age children develop learning and comprehension skills.
- ï As part of USAIDís \$20.7 million Higher Education and Development Program (HEAD), DePaul University is implementing a \$3.8 million program with the Universities of Baghdad, Basrah, and Sulaymaniyah to provide clinical education, curriculum reform, library and education technology, and to promote understanding of rule of law.
 - ñ This has been achieved by rehabilitating and restocking law libraries, constructing moot court facilities, arranging regional training trips, and hosting forums for members of Iraqís legal community.

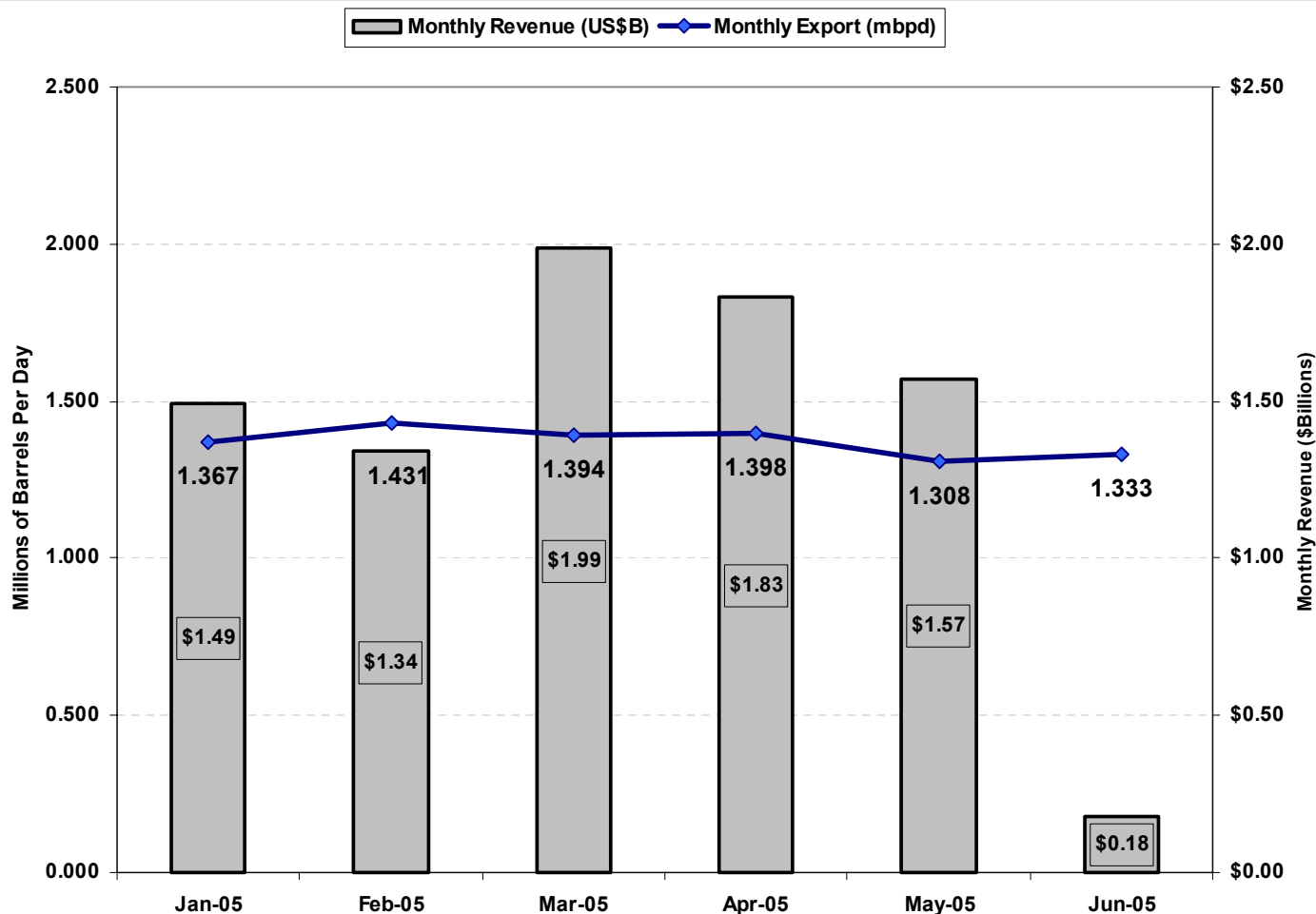


[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Production





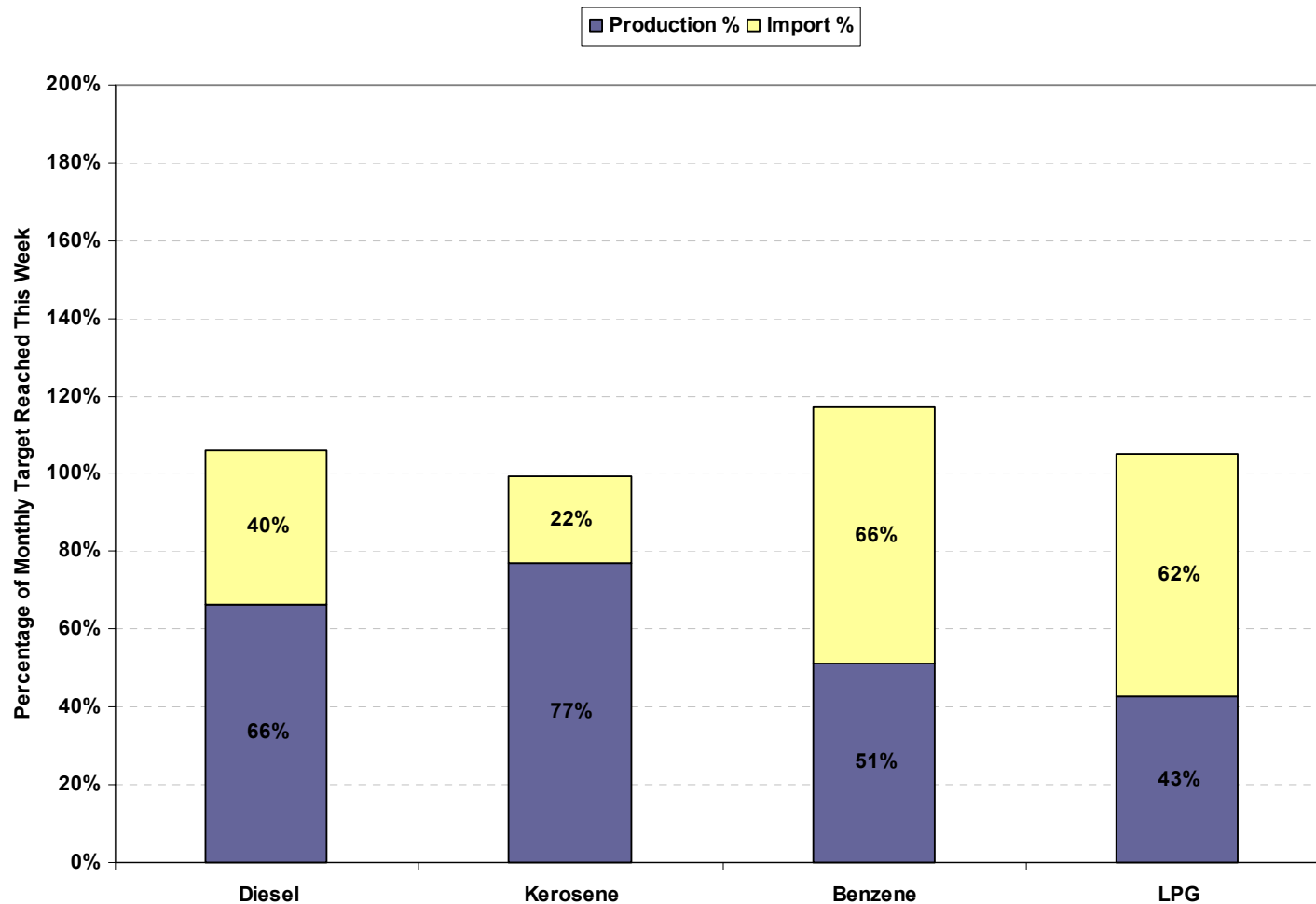
[4.0] Establish Foundations for a Strong Economy ñ Crude Oil Export



- ï 2003 Revenue: \$5,076.6 M
- ï 2004 Revenue: \$17,012.3 M
- ï 2005 Revenue: \$8,621.3 M (cumulative for 2005)



[4.0] Establish Foundations for a Strong Economy ñ Refined Products



Note: This chart represents the average percentage of daily target reached for the week of May 30 ñ June 5

ï Diesel: 19.1 ML of 18 ML

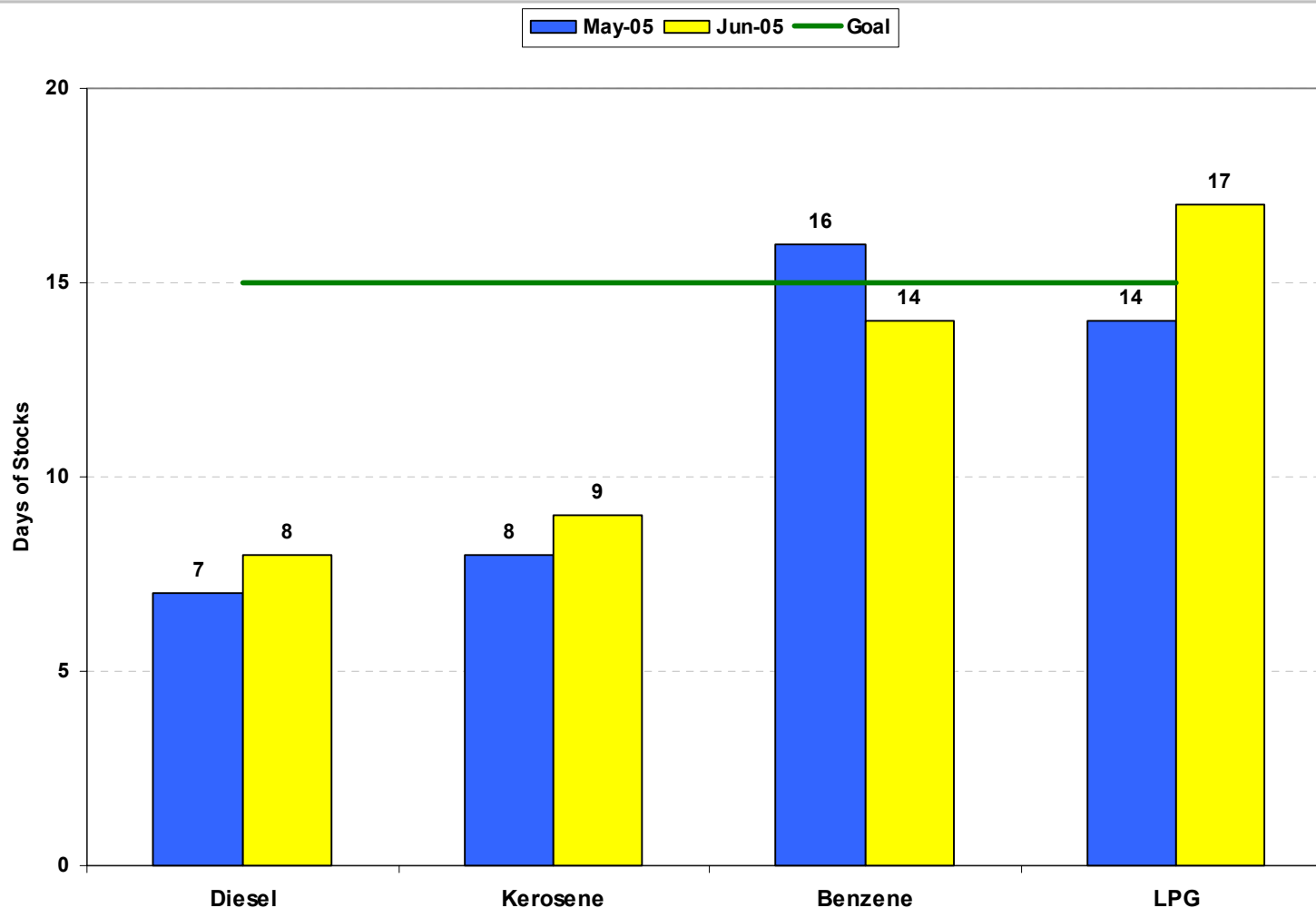
ï Benzene: 21.1 ML of 18 ML

ï Kerosene: 5.4 ML of 5.4 ML

ï LPG: 4,524 tons of 4,300 tons



[4.0] Establish Foundations for a Strong Economy ñ National Stock Levels



ï The goal is for all refined products to be over 15 days worth of stocks at maximum consumption rates and does not represent seasonal change. The numbers given above are monthly averages.



[4.0] Establish Foundation for a Strong Economy ñ Agriculture, Food Security and Job Creation

New Irrigation System Introduced:

- ï At a recent wheat workshop organized by the Ministry of Agriculture and USAID's Agriculture Reconstruction and Development for Iraq (ARDI) program, farmers and government officials were introduced to an irrigation method to increase production of all crops, including wheat.

Employment Update:

- ï Number of Iraqis employed by USG-administered projects in each sector:

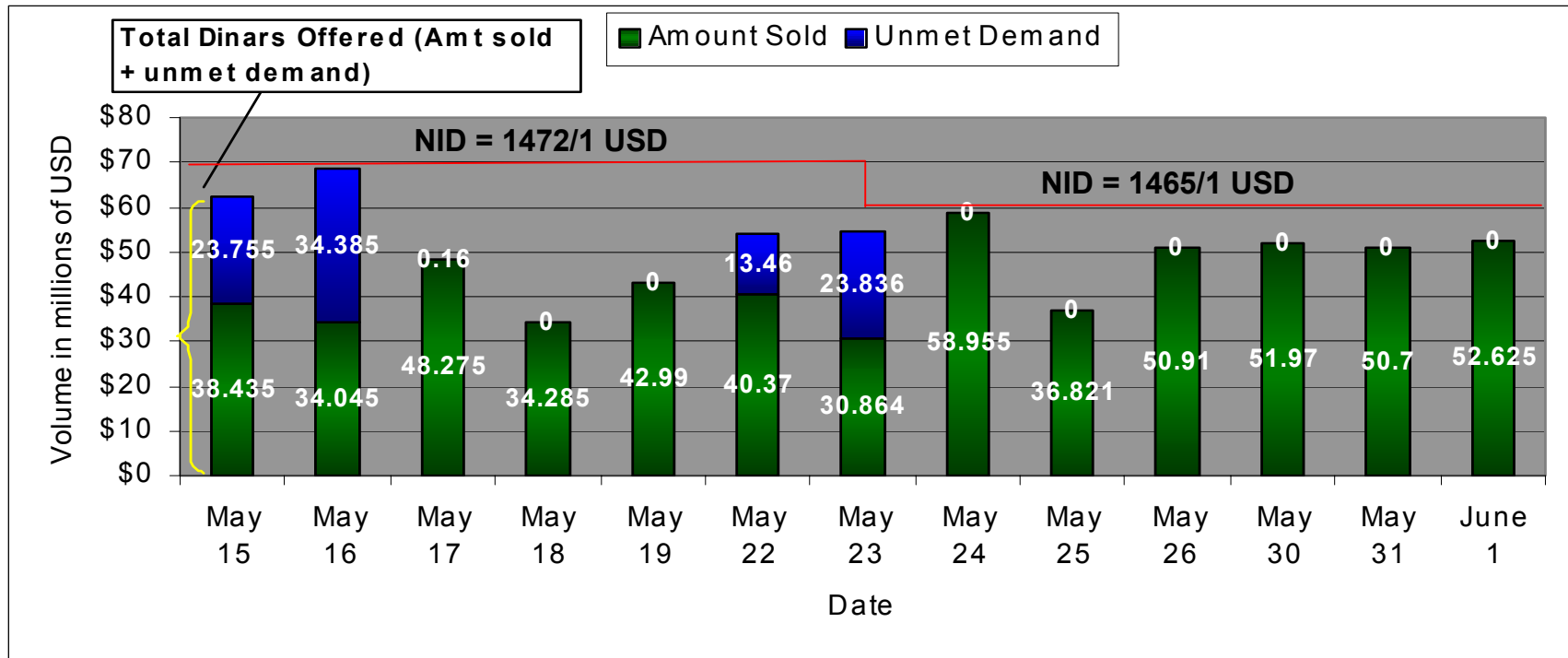
Employing Organization	Iraqis Last Week	Iraqis This Week	% Change on Week
PCO (Project and Contracting Office)	28,748	27,813	-3.3%
USAID	60,569	66,380	9.6%
AIRP (Accelerated Iraqi Reconstruction Program)	4,333	5,502	27.0%
MILCON (Military Construction)	522	534	2.3%
*CERP (Commanders' Emergency Response Program)	23,706	23,706	0.0%
MNSTC-I	23,619	24,443	3.5%
IRRF NON-CONSTRUCTION	11,663	11,104	-4.8%
GRAND TOTAL	153,160	159,482	4.1%



[4.0] Establish Foundation for a Strong Economy - Banking Sector

Iraq Currency Exchange:

- i At the New Iraqi Dinar (NID) auction on June 1, the settlement price was 1,465 dinars per USD. Nineteen banks offered and sold a total of NID 77 billion (\$52.625 million). The following table shows the purchase volume for every NID auction from May 15 through June 1.



- i In five of the last 13 auctions, the Central Bank of Iraq did not meet total demand for US dollars. Banks are now required to disclose the purpose of foreign currency purchases.



[4.0] Establish Foundation for a Strong Economy

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Iraqi Stock Exchange:

- ï On June 6, the Iraqi Stock Exchange (ISX) traded 659,572,060 shares with a total trading volume of NID 7,171,957,815 (\$4,895,534). The banking sector comprised the largest percentage of trading. On June 6, nine banks traded 576,030,602 shares with a trading volume of 6,647,767,316 (\$4,537,725).
- ï The industrial sector, which includes manufacturing, packing, and chemical producing companies, comprised the second largest percentage of trading. On June 6, the industrial sector traded 47,345,229 shares with a trading volume of NID 331,772,322 (\$226,465).

Private Sector Development:

- ï The World Bank International Finance Corporation (IFC) will provide a \$12 million loan to support the small and medium enterprise (SME) lending operations of National Bank of Iraq, also known as Al-Ahli Bank of Iraq. The financing represents IFC's first investment under the \$170 million Iraq Small Business Finance Facility (ISBFF).

[4.0] Establish Foundation for a Strong Economy ñ IRRF I & II Financials



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\$Millions			Committed		Obligated		Disbursed	
Sector	2207 Report	Apportion	Last Week	Current	Last Week	Current	Last Week	Current
Security and Law Enforcement	5,035.6	5,035.6	4,812.8	4,856.3	4,299.2	4,339.9	2,403.1	2,446.4
Electricity Sector	4,308.2	4,057.6	3,870.8	3,699.3	2,831.6	2,652.1	1,127.1	1,140.2
Oil Infrastructure	1,723.0	1,723.0	1,627.2	1,646.8	1,099.7	1,101.6	292.6	319.5
Justice, Public Safety and Civil Society	1,224.2	1,224.2	1,056.6	1,065.0	894.4	897.4	294.9	309.8
Democracy	905.4	905.3	866.9	869.0	850.9	853.0	418.5	428.3
Education, Refugees, Human Rights, Governance	363.0	363.0	299.0	301.2	282.2	282.3	96.3	99.3
Roads, Bridges and Construction	355.2	355.2	342.5	329.0	194.2	194.5	93.9	97.4
Health Care	786.0	786.0	741.1	742.4	579.6	568.8	108.1	114.9
Transportation and Communications	509.0	508.5	479.7	479.7	378.8	379.0	83.1	87.4
Water Resources and Sanitation	2,156.7	1,829.2	1,756.8	1,757.6	1,231.7	1,234.8	163.0	175.5
Private Sector Development	860.3	840.3	827.2	827.5	815.9	816.1	456.8	457.1
Admin Expense (USAID, STATE)	213.0	29.0	29.0	29.0	29.0	29.0	29.0	29.0
TOTAL	18,439.5	17,656.9	16,709.7	16,602.8	13,487.2	13,348.5	5,566.4	5,704.7
IRRF 2 Construction		10,837.2	10,033.4	9,889.7	7,512.2	7,355.3	2,516.6	2,597.0
IRRF 2 Non-Construction		5,914.4	5,809.5	5,844.0	5,124.1	5,140.2	2,631.3	2,679.4
IRRF 2 Democracy		905.3	866.9	869.0	850.9	853.0	418.5	428.3
IRRF 1 Subtotal	2,473.3	2,473.3	2,473.3	2,473.3	2,473.3	2,473.3	2,150.0	2,150.0
Grand Total IRRF 1 & 2	20,912.8	20,130.2	19,183.0	19,076.1	15,960.5	15,821.8	7,716.4	7,854.7



[5.0] Promote the Rule of Law ñ Iraqi Judicial System

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Justice Integration Project Coordination:

- ï Representatives of INL's Justice Integration Project met with Lieutenant Colonel McQuade Chief Justice Governorate Support Team to discuss increased coordination between the 3ID's Project Hammurabi, which focuses on police courts and prisons, and the Justice Integration Project. The Justice Integration Project will provide training in the area of corrections, and the 3 ID is interested in providing additional computers and some connectivity both intra prison and inter prison.

No Trial Date Set for Saddam:

- ï On June 7, Reuters reports that Iraq's government backed away from suggestions that Saddam Hussein would be tried within weeks, admitting it was up to the Iraqi Special Tribunal to decide when he appears in court.



[5.0] Promote the Rule of Law ñ **Public Integrity and Anti-Corruption**

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3rd Infantry Division (3ID) Conducting Human Rights Training for ISF:

- ï Currently, 3ID units reinforce human rights training with programs designed to help inexperienced ISF Officers institute protocols and procedures that meet internationally-accepted human rights standards. One such program is the Provost Marshall's Office Training Program, a 40-hour course which teaches basic military detention facility operations with an emphasis on professionalism and proper treatment of prisoners.



[6.0] Maintain Int'l Engagement & Support ñ **Developments**

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International Support:

- ï The International Conference Steering Group (US, EU, ITG, UN, Egypt, Japan, and now Russia) met in Cairo on June 2 and agreed on the conference agenda/format. The Steering Group discussed the draft conference statement.
- ï Representatives from USAID, the World Bank, International Finance Corporation, and UK's Department for International Development recently met in Amman, Jordan to assess the needs of Iraqi government ministries seeking to move key state-owned enterprises off the national budget. These major donor organizations discussed the coordination of their efforts to support the ministries in Iraq and agreed to accelerate the timetable for privatizing numerous organizations.
- ï The Iraqi Kurdistan Regional Government (KRG) Deputy Prime Minister Mr. Sarkis Aghadjan met on June 6 in Erbil with the UN Deputy SRSG for Iraq, Mr. Staffan De Mistura to discuss issues relating to past and future activities of the United Nations in northern Iraq. Specifically, it was agreed to that the UN would closely involve the KRG prior to initiation of any UN programs in northern Iraq.
- ï Four US Air Force C-17 cargo planes carrying logistic supplies arrived at the Incirlik airbase in southern Turkey in early June for the first time since Ankara agreed to extend its period of use. In April the Turkish President approved a government decree extending for another year the right of the US military to use the airbase as a logistical hub for operations in Iraq and Afghanistan.



[6.0] Maintain Int'l Engagement & Support ñ **Stability Contributors**

27 MNF-I Contributors (in addition to US)

Albania	El Salvador	Latvia	Poland
Armenia	Estonia	Lithuania	Portugal
Australia	Georgia	Macedonia	Romania
Azerbaijan	Italy	Moldova	Slovakia
Bulgaria	Japan	Mongolia	Ukraine
Czech Rep	Kazakhstan	Netherlands	UK
Denmark	Korea	Norway	

*Note: Fiji participating as a part of the UN mission in Iraq.

TOTAL ~ 23,000 Forces

28 Countries and NATO
(including US)
Support Iraqi Stability Operations



Iraq Weekly Status ñ General Information

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- ï This brief draws from multiple sources. References are cited on the respective pages in the ñNotes Pageñ section (View → Notes Page).
- ï Please forward all questions and/or comments to (unclassified) NEA-I-IPOG-DL@state.gov or (classified) NEA-I-IPOG-DL@state.sgov.gov